

**New Jersey Turnpike Authority
Financial Summary
For the Five Months Ended May 31, 2015**

ACTUAL REVENUE - January - May	\$ 665,407,000
ESTIMATED REVENUE - June - December	<u>1,012,352,000</u>
<i>Projected Annual Revenue</i>	\$ 1,677,759,000
 ESTIMATED ANNUAL OPERATING EXPENSES	 <u>485,593,100</u>
<i>Projected Net Revenue</i>	\$ 1,192,165,900
 DEBT SERVICE REQUIREMENTS	 687,820,300
CHARGES FUND	1,150,000
SPECIAL PROJECT RESERVE FUND	20,900,000
MAINTENANCE RESERVE FUND	87,058,000

The following un-audited results are for the five months ended May 31, 2015.¹ Based upon these results, revenues will be sufficient to satisfy the requirements of the Authority's Bond Resolution. For the twelve months ending December 31, 2015, the Authority is projected to have a debt service coverage ratio of 1.73 and a total requirements coverage ratio of 1.50.

The Authority's total revenue for the five months ended May 30, 2015 was \$665,407,000, which is at projected levels. Toll revenue was \$584,799,000, which is also at projected levels despite the coldest winter in New Jersey since the winter of 1993-1994 and two declared state of emergency weather events. Since March 2015, however, favorable weather and gas prices have had a positive effect on traffic and revenue, as has the newly widened section of the New Jersey Turnpike. Income from investments is \$4,509,000 which is \$2,491,000 or 35.6% lower than projected as short term interest rates have not increased as expected. The lower than projected interest income is offset by higher than anticipated receipts of Concession and Miscellaneous revenue. Concession revenue, which totaled \$14,060,000, is \$770,000, or 5.8% above projections due to higher than expected commissions received on diesel fuel sales on the New Jersey Turnpike. Miscellaneous revenue of \$5,960,000 is \$865,000, or 17.0% above projections due to greater than anticipated sales of surplus properties.

For the five months ended May 31, 2015, traffic on the New Jersey Turnpike ("Turnpike") increased 6.2% and toll revenue increased 6.7% as compared to the same period in 2014. The increases in traffic and revenue are due to a relatively warm and dry spring, less severe winter weather and lower fuel prices in the first five months of 2015 than those in 2014. Traffic and revenue were negatively impacted by winter storms Juno and Thor in February and March, respectively. These storms resulted in 1,037,000 fewer transactions and \$4,615,000 less revenue when compared to the same days last year. When eliminating these storms, traffic and revenue would have increased 7.5% and 8.1%, respectively. The adjusted results exceed the projections forecasted by CDM Smith, the Authority's traffic engineer, for the five months ended May 2015 of 6.4% for traffic and 5.9% for revenue. CDM Smith, which released an investment grade study in May 2014, projects 2015 annual traffic and revenue growth of 3.7% and 3.6%, respectively. Through the first five (5) months of 2015, the E-ZPass usage rate on the New Jersey Turnpike was 81.8%, an increase from 81.7% for the same period in 2014.

For the five months ended May 31, 2015, toll transactions and revenue on the Garden State Parkway ("Parkway") each increased 1.4% when compared to the same period in 2014. As with the Turnpike, these increases can be attributed to better weather and lower fuel prices during the first five months of 2015 relative to the first five months of 2014. Toll transactions and revenue were negatively impacted by winter storms Juno and Thor, resulting in 1,846,000 fewer toll transactions and \$1,983,000 less revenue. When adjusting for these storms, Parkway traffic and revenue would have increased 2.8% and 2.7%, respectively. The adjusted results for the Parkway, however, are lower than CDM Smith's projected increases of 4.9% for toll transactions and 5.0% for revenue for the five month period. For 2015, CDM Smith forecasts annual increases of 2.6% for both toll transactions and revenue on the Parkway. Through May, the 2015 E-ZPass usage rate on the Parkway was 78.7%, up from 78.2% for the same period in 2014.

Operating expenses for the five months ended May 31, 2015 were approximately \$217,814,000, which was 107.4% of the year-to-date budget. The Authority has spent \$32.2 million from its operating budget for snow removal costs. Consequently, the Authority has already exceeded its \$14.5 million annual operating budget for snow and severe weather costs. The Authority has also spent an additional \$14.0 million out of a \$15.0 million annual budget for snow removal from the General Reserve Fund. The annual budget for snow and severe weather costs is determined based upon the five-year rolling average for such costs. State of Emergency weather events are budgeted and charged to the General Reserve Fund. All other events are budgeted and charged to operating expenses. All other operating expenses are at or below year to date budgeted levels. Discretionary spending and budgetary guidelines will be closely monitored and adhered to throughout the remainder of the year in order to control operating expenses.

The Capital Budget consists of Supplemental Capital, Maintenance Reserve, and Special Project Reserve Funds. For the five months ended May 31, 2015, total expenditures were approximately \$34,677,000. Expenditures included \$8,476,000 for Turnpike Bridge Repairs, \$5,543,000 for the Radio Replacement Project, \$4,946,000 for Turnpike Resurfacing and \$4,483,000 for Parkway Bridge Repairs. There are current commitments in the Capital Budget of \$88,298,000. In addition to the Capital Budget, the General Reserve Fund expenses totaled approximately \$115,226,000 and consisted of \$81,000,000 for State Transportation Capital Plan payments, \$14,030,000 for Extraordinary Snow costs and \$5,500,000 for Transportation Trust Fund payments and .

¹ These are un-audited results. Amounts and categories of revenue and expenses may change when audited.

Total expenditures in the Construction Fund for the five months ended May 31, 2015 were approximately \$255,360,000. Expenses included \$38,011,000 for the Turnpike Interchange 14A Reconstruction Project, \$35,809,000 for the Parkway 35–63 Widening Project, \$28,134,000 for the Turnpike Interchange 6-9 Widening Project and \$27,183,000 for the Authority Phase II Facilities Improvements Program. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,346,357,000.